

STATEMENT OF PURPOSE

RS18864

This legislation would amend Title 49, Idaho Code, to increase the standard motor vehicle registration fees for passenger cars with a gross vehicle weight (GVW) of 8,000 pounds or less, school buses, farm and non-commercial vehicles with a GVW of 8,001 to 60,000 pounds, and for commercial trucks and wreckers with a GVW of 8,001 to 60,000 pounds. The standard registration fees for cars registered at the county level would increase in the first year by a range from \$6.00 to \$24.00 depending on the age of the vehicle and then increase by approximately \$6.00/year for the next two years. The standard registration fees for Farm and Non-commercial Trucks registered at the county level would increase in the first year by a range from \$24.00 to \$38.00 depending on the weight of the vehicle and then increase by approximately \$4.00 to \$30/year for each of the next two years. Because of the January 1 implementation date for registration increases, only approximately 42% of the new revenue increase will be collected during each year of implementation. Registration fees for heavy trucks registered at the State level are increased one time by five percent (5%).

The increase in most registration fees above the existing 2009 level will be deposited in a new Highway Maintenance, Preservation and Restoration Fund. Moneys in this new fund shall be apportioned 38% to local governments and 62% for expenditure by ITD exclusively for the maintenance, preservation and restoration of the State highway system, but shall not be used for capacity expansion projects. This legislation will be effective January 1, 2010, and registration increases will be effective on January 1 of each year 2010 through 2012. The heavy truck registration fee increases will be deposited in the Highway Distribution Account.

FISCAL NOTE

It is estimated that this legislation will bring in the following amounts of new revenue over the next three years:

PASSENGER CAR REGISTRATIONS (county registration)

<u>Full Year</u>	<u>Year of Implementation Revenue</u>
FY 2010: \$ 15.1 million	\$ 6.3 million
FY 2011: \$ 20.7 million	\$ 8.6 million
FY 2012: \$ 26.3 million	\$10.9 million
FY 2013 and after :	\$26.3 million

FARM AND NON-COMMERCIAL TRUCK REGISTRATIONS (county registration)

<u>Full Year</u>	<u>Year of Implementation Revenue</u>
FY 2010: \$ 1.7 million	\$ 0.7 million
FY 2011: \$ 7.7 million	\$ 3.2 million
FY 2012: \$ 8.8 million	\$ 3.7 million
FY 2013 and after :	\$ 8.8 million

COMMERCIAL TRUCK REGISTRATIONS (State registration)

<u>Full Year</u>	<u>Year of Implementation Revenue</u>
FY 2010: \$ 2.4 million	\$ 1.0 million
FY 2011: \$ 2.4 million	\$ 2.4 million
FY 2012 and after:	\$ 2.4 million

Note: All revenue to Highway Distribution Account

ANNUAL TOTAL/NEW REVENUE

<u>Full Year</u>	<u>Year of Implementation Revenue</u>
FY 2010: \$20.4 million	\$ 8.5 million
FY 2011: \$36.3 million	\$15.1 million
FY 2012: \$43.7 million	\$18.2 million
FY 2013 and after:	\$43.7 million

ANNUAL COSTS FOR IMPLEMENTATION

The costs associated with implementing this legislation in the first year (FY 10), is estimated to be \$106,000, which includes automated system programming costs and testing by contract programmers (\$54,000). Additional costs are associated with revision, printing and stocking of various forms and publications, educational efforts and outreach of internal customers, the general public, and external customers.

Each fiscal year thereafter (FY 11, FY 12, FY 13, FY 14) costs associated with implementing successive changes are estimated at \$34,800 which includes programming costs and testing by contract programmers (\$30,800). Additional costs associated with revision, printing and stocking of various forms, and educational efforts are estimated at \$4,000 annually.

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